

# MONTEREY COUNTY ECONOMIC FORECAST

Monterey County is located on the central coast of California, north of San Luis Obispo County. Farming is a vital component of the county economy, accounting for over \$3.3 billion in total crop value and 24 percent of the workforce. Monterey County has a population of 425,100 people and 168,700 wage and salary jobs. The per capita income in Monterey County is \$34,447, and the average salary per worker is \$44,738.

In 2005, an estimated 100 wage and salary jobs were lost in Monterey County, representing a scant decline in employment of 0.1 percent. Non-farm employment increased by nearly 400 jobs, reversing three straight years of a declining non-farm workforce in the county. The farm sector lost 500 jobs in 2005, after creating a total of 5,000 jobs in the previous three years. The unemployment rate increased to 9.1 percent in 2005.

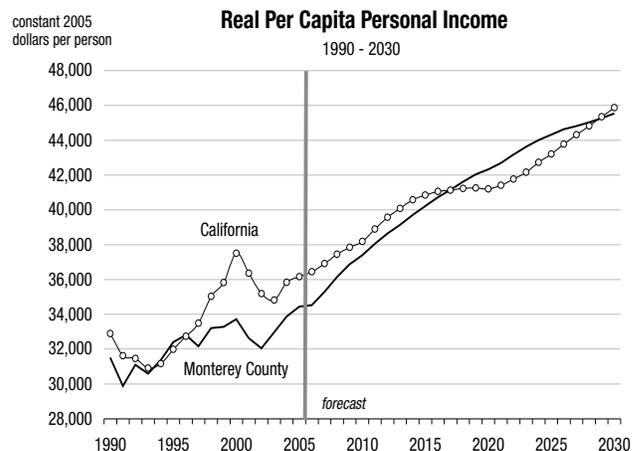
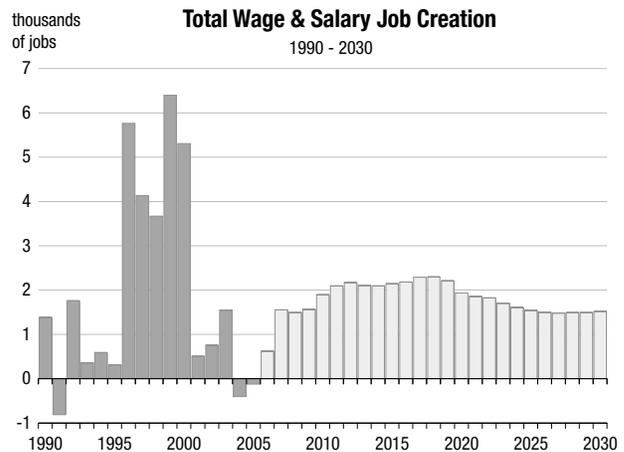
The principal sectors producing jobs in Monterey County are the leisure services and professional services sectors. The manufacturing sector lost 450 jobs in 2005. Since 2001, the sector has lost over 2,500 jobs. Government and farm are the largest sectors in the county, accounting for 18 and 24 percent, respectively of total employment in the county. Many of the public sector jobs are associated with the state correctional facilities in Soledad, which accommodate a total of 11,500 inmates.

From January 2005 to January 2006, the population barely increased in Monterey County, rising just 0.3 percent. The largest city in the county is Salinas with a population of 148,350, more than 100,000 people larger than the cities of Seaside and Monterey. Population in Salinas declined by 0.3 percent during 2005.

Employment growth is expected to increase over the forecast period. Most of the growth will occur in the non-farm sector. The population will continue to grow over the forecast, but all of the growth will be due to the natural increase.

## FORECAST HIGHLIGHTS

- Job growth averages 0.4 percent in 2006. Over the next five years, a 0.8 percent average annual growth rate is forecast. Non-farm employment increases by an average of 1.1 percent over the same period.
- Average salaries adjusted for inflation are currently below the California state average. Inflation adjusted salaries are expected to rise an average of 0.8 percent per year over the next 5 years.
- Between 2006 and 2010, the momentum for employment growth is in the professional services, wholesale and retail trade, leisure services, government, and financial services sectors. These sectors account for 93 percent of all new jobs expected in the county over the next five years.

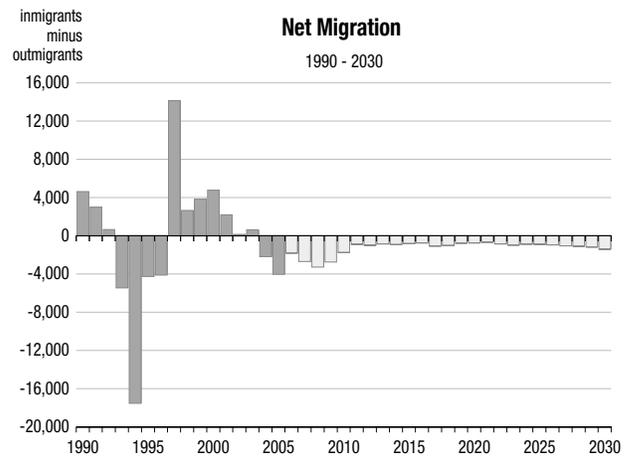
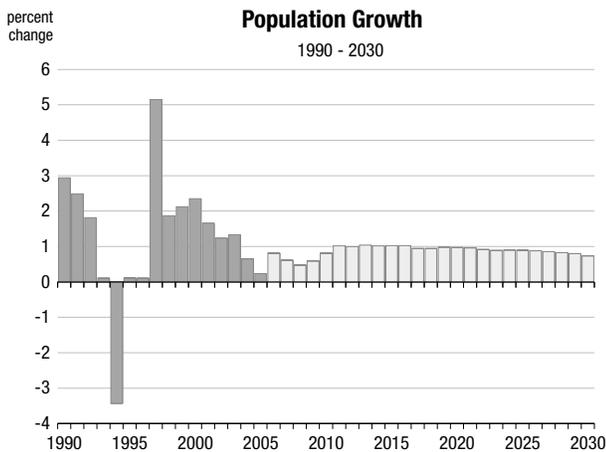


- Population growth will remain low over the foreseeable future. Annual growth in the 2006 to 2010 period averages 0.7 percent per year.
- Net migration will remain negative over the next five years. In 2006, out-migration rises to 1,800 people. Over the next five years out-migration is expected to average nearly 2,500 net migrants per year.
- Real per capita incomes increase at a rate of 0.2 percent in 2006. But over the next five years real per capita incomes are forecast to increase approximately 1.7 percent per year.
- Industrial production is forecast to increase 1.5 percent in 2006. Over the next five years the growth rate of industrial production will average 1.4 percent. Total real crop production is expected to decline an average of 0.8 percent per year between 2006 and 2010.

# Monterey County Economic Forecast

## 1997-2005 History, 2006-2030 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (billions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
1997	379,344	14,140	266.9	114.7	1,713	\$3.6	\$9.6	\$32,167	3.4	2.87	1.08	11.0
1998	386,441	2,659	285.1	116.3	1,178	\$3.9	\$10.5	\$33,205	3.2	2.81	1.10	10.8
1999	394,653	3,844	296.5	117.5	2,081	\$4.3	\$11.2	\$33,284	4.2	2.79	1.18	9.7
2000	403,946	4,790	309.8	121.2	1,702	\$4.9	\$12.1	\$33,715	4.5	3.39	1.30	7.4
2001	410,634	2,198	322.7	122.9	1,064	\$5.1	\$12.5	\$32,626	5.4	2.86	1.30	7.9
2002	415,720	165	335.3	124.2	1,223	\$4.9	\$12.7	\$32,051	1.6	2.96	1.30	9.0
2003	421,270	643	332.1	125.1	1,385	\$4.9	\$13.5	\$32,970	1.8	3.40	1.34	9.1
2004	424,047	-2,185	350.6	126.1	1,276	\$5.2	\$14.1	\$33,871	1.2	3.01	1.42	8.4
2005	425,055	-4,031	345.1	127.8	1,219	\$5.4	\$14.6	\$34,447	2.0	3.27	1.44	9.1
2006	428,505	-1,801	348.9	128.8	844	\$5.7	\$15.4	\$34,528	3.9	3.20	1.46	8.5
2007	431,137	-2,679	353.1	129.8	994	\$5.9	\$16.2	\$35,291	2.4	3.17	1.48	8.2
2008	433,199	-3,257	357.3	130.8	1,051	\$6.1	\$17.0	\$36,136	2.0	3.13	1.50	8.3
2009	435,773	-2,737	361.3	131.6	1,092	\$6.3	\$17.8	\$36,869	2.0	3.13	1.52	8.5
2010	439,328	-1,758	365.6	132.5	1,128	\$6.6	\$18.7	\$37,399	2.5	3.15	1.54	8.4
2011	443,809	-877	369.8	133.3	1,134	\$6.8	\$19.6	\$38,049	2.4	3.15	1.58	8.3
2012	448,259	-976	374.1	134.1	1,141	\$7.1	\$20.6	\$38,638	2.2	3.17	1.64	8.3
2013	452,923	-837	378.3	134.9	1,132	\$7.4	\$21.6	\$39,143	2.3	3.19	1.69	8.3
2014	457,555	-900	382.5	135.6	1,127	\$7.8	\$22.6	\$39,704	2.3	3.22	1.74	8.2
2015	462,266	-810	386.7	136.4	1,127	\$8.1	\$23.7	\$40,212	2.5	3.24	1.79	8.1
2016	467,022	-735	390.8	137.1	1,122	\$8.5	\$24.9	\$40,719	2.7	3.27	1.84	8.0
2017	471,445	-1,050	395.0	137.8	1,123	\$8.9	\$26.1	\$41,145	2.7	3.29	1.88	7.9
2018	475,909	-1,008	399.2	138.5	1,127	\$9.3	\$27.3	\$41,620	2.5	3.31	1.94	7.7
2019	480,592	-772	403.3	139.2	1,124	\$9.7	\$28.6	\$42,041	2.5	3.33	1.99	7.6
2020	485,282	-727	407.3	139.8	1,111	\$10.1	\$29.8	\$42,330	2.5	3.35	2.03	7.5
2021	489,981	-653	411.1	140.5	1,103	\$10.5	\$31.1	\$42,699	2.4	3.36	2.06	7.3
2022	494,469	-837	415.0	141.1	1,101	\$11.0	\$32.5	\$43,179	2.5	3.38	2.06	7.3
2023	498,875	-954	418.8	141.7	1,093	\$11.4	\$34.0	\$43,629	2.5	3.39	2.04	7.2
2024	503,397	-858	422.5	142.3	1,081	\$11.9	\$35.4	\$44,013	2.3	3.41	2.01	7.2
2025	507,925	-878	426.1	142.9	1,077	\$12.3	\$36.8	\$44,326	2.4	3.43	1.95	7.1
2026	512,411	-942	429.7	143.5	1,070	\$12.8	\$38.3	\$44,638	2.4	3.45	1.94	7.0
2027	516,787	-1,033	433.3	144.2	1,073	\$13.3	\$39.7	\$44,813	2.5	3.47	1.93	7.0
2028	521,074	-1,094	436.9	144.8	1,074	\$13.9	\$41.3	\$45,029	2.7	3.48	1.94	6.9
2029	525,247	-1,171	440.5	145.4	1,069	\$14.4	\$43.0	\$45,264	2.7	3.51	1.95	6.8
2030	529,148	-1,390	444.1	146.0	1,067	\$15.0	\$44.7	\$45,531	2.6	3.53	1.97	6.7



# Monterey County Employment Forecast

## 1997-2005 History, 2006-2030 Forecast

	Total Wage & Salary	Farm	Construction	Manufacturing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
-----employment (thousands of jobs)-----												
1997	151.0	34.76	4.5	9.1	3.2	19.1	6.1	11.5	3.0	10.0	17.9	28.1
1998	154.7	35.18	5.3	8.5	3.3	19.6	6.2	11.6	3.0	10.7	18.2	29.2
1999	161.1	37.50	5.9	8.4	3.6	20.2	6.3	12.9	2.9	10.7	18.8	29.8
2000	166.4	39.08	6.3	8.7	3.5	20.9	6.3	12.9	2.8	11.2	20.0	30.4
2001	166.9	36.88	6.7	9.3	3.5	21.9	6.5	12.5	2.8	11.7	20.4	30.4
2002	167.7	38.11	6.6	8.3	3.4	22.1	6.5	12.3	2.4	12.0	20.1	31.3
2003	169.2	41.43	6.7	7.5	3.2	22.0	6.5	11.8	2.4	12.3	19.7	31.1
2004	168.8	41.93	6.7	7.2	3.3	21.9	5.9	11.8	2.3	12.3	20.3	30.3
2005	168.7	41.45	6.7	6.7	3.4	21.6	6.1	12.4	2.4	12.1	20.7	30.2
2006	169.3	41.51	6.1	6.5	3.5	21.8	6.4	12.6	2.3	12.1	21.2	30.3
2007	170.9	41.55	6.5	6.4	3.5	22.1	6.7	12.8	2.3	12.1	21.6	30.4
2008	172.4	41.57	6.6	6.3	3.5	22.4	6.8	13.0	2.3	12.1	22.0	30.6
2009	174.0	41.59	6.7	6.3	3.6	22.8	6.9	13.3	2.3	12.2	22.3	30.9
2010	175.9	41.62	6.8	6.2	3.7	23.1	7.0	13.7	2.4	12.3	22.6	31.2
2011	178.0	41.64	6.8	6.2	3.8	23.5	7.1	14.2	2.5	12.5	22.9	31.6
2012	180.1	41.67	6.9	6.1	3.9	23.9	7.2	14.6	2.5	12.7	23.1	32.2
2013	182.2	41.70	6.9	6.1	4.0	24.3	7.3	15.0	2.6	12.9	23.4	32.8
2014	184.3	41.74	6.9	6.0	4.0	24.6	7.4	15.3	2.6	13.2	23.7	33.4
2015	186.5	41.78	6.9	5.9	4.1	25.0	7.4	15.5	2.7	13.5	24.0	34.1
2016	188.7	41.83	6.9	5.9	4.2	25.3	7.5	15.7	2.7	13.8	24.3	34.9
2017	191.0	41.88	6.9	5.8	4.3	25.7	7.6	15.8	2.7	14.2	24.6	35.7
2018	193.3	41.93	7.0	5.8	4.4	26.0	7.7	16.0	2.7	14.5	24.9	36.6
2019	195.5	41.99	7.0	5.7	4.5	26.3	7.7	16.1	2.7	14.9	25.1	37.4
2020	197.4	42.04	7.0	5.6	4.5	26.6	7.8	16.3	2.8	15.2	25.3	38.2
2021	199.3	42.09	7.0	5.5	4.6	27.0	7.9	16.4	2.8	15.5	25.4	39.0
2022	201.1	42.15	7.0	5.5	4.7	27.3	7.9	16.6	2.8	15.8	25.5	39.7
2023	202.8	42.20	7.0	5.4	4.8	27.6	8.0	16.7	2.8	16.1	25.6	40.3
2024	204.4	42.25	7.0	5.3	4.9	27.9	8.1	16.9	2.8	16.3	25.7	41.0
2025	206.0	42.31	7.0	5.3	4.9	28.2	8.1	17.0	2.8	16.5	25.8	41.6
2026	207.5	42.37	7.0	5.2	5.0	28.4	8.2	17.1	2.8	16.8	25.9	42.1
2027	208.9	42.42	7.0	5.1	5.0	28.7	8.3	17.3	2.8	17.0	26.0	42.7
2028	210.4	42.48	7.0	5.1	5.1	28.9	8.4	17.4	2.8	17.2	26.1	43.3
2029	211.9	42.54	7.0	5.0	5.2	29.2	8.4	17.5	2.8	17.4	26.3	43.8
2030	213.5	42.60	7.1	5.0	5.2	29.5	8.5	17.6	2.9	17.6	26.4	44.4

